

Durham Civic Center Authority Meeting Minutes

Tuesday, October 17, 2006

8:00am

The meeting was called to order at 8:00am with the following members present/absent:

Present: Rod Abraham, Patrick Byker, Angela Elkins and Rob VanDewoestine.

Absent: George Stanziale, Josh Parker, (excused) Ed Stewart

Owner's representation: Sharon DeShazo, Elizabeth Stoeber, Heidi York, Assistant County Manager and General Service's Sheila Huggins, Contract Administrator, Harmon Crutchfield, Business Services Manager and Senior Project Manager Brian Conklin

Management Company present: Ken Lile, Yvonne Patton, and Dave Messinger

Motion of approval for September 19, 2006 minutes moved by Ms. Elkins, seconded by

Mr. Abraham voted and agreed upon by all. Carolyn Titus, Deputy County Manager

introduced Heidi York, Assistant County Manager as the new County representative as

Ms. Titus is transitioning out.

Executive Summary

- September revenue was \$165,105 ahead of budget and \$97,476 better than September 2005. The high level of revenue was attributed to a sales group that has been fully-staffed for the past several months. Additionally, good control of spending resulted in the first positive net income for the facility of \$24,439. The net income was forecast to be better than budget for the remainder of 2006 based on revenue forecast to be above budget and continued good spending control. As of the end of September, 105.2% of the FY '06-'07 revenue budget is on the books.
- Mr. Lile included in the manager's report a walk-through conducted last Friday with Joe Wynn, of Heery International and Owners representation to solicit his feedback on the exhibition hall renovation and ADA adjustments. Based on prior phasing discussions, commitment on construction/ scheduling will not begin until a contract with a CMAR is secured. The impact on facility operations during construction is still unknown. Ms. Patton will require a detailed construction schedule, to be able to evaluate and plan for the impact of construction on adjacent ballroom spaces. This is also important for setting the 2007-08 budget for the Civic Center.
- The Owner's recommendation is consistent with HEERY's on the CIP renovation. The HVAC system identifies as priority. A roof assessment through HEERY International will determine a roof scope with supplemental assessment from Julius Hoff, Facility Engineer.
- The Exhibition Hall/Ballroom renovation and ADA funding are separate from the HVAC system and have already been planned and budgeted, but are still lacking a plan for execution.
- The Owners have proposed a fee simple lease agreement for the gift/coffee shop venue. It is not a high priority item, but is a Marriott standard and strictly a hotel venue. There is no cost assessment to the Owners. David Fleischer of General Services, Real Estate Division will review how the lease agreement is executed.

- Mr. Messinger asked that requests for information or services be made written form (memo) to ensure understanding and correctness of response. He will make a concerted effort to distribute monthly financial data to the board around the 15th of each month for availability prior to each board meeting. China, glass and silverware will no longer be fixed asset purchases. These assets have been moved into a direct expenses account (623900) to split expenses between Shaner and owners – This process ensures these assets are itemized for tax purposes and simplifies for inventory purposes.
- The Management Company and Ms. DeShazo met to discuss a conservation plan for efficient energy management and a janitorial plan per contract to be implemented and reviewed regularly.

Last Fiscal Year in Review (list)

- Successes -
 - Improved expense controls
 - GSS
 - Reporting
 - Communications
 - Branding
 - Aging
 - Food Quality
 - Marriott Standards
 - Booking pace
 - Contract issues
 - Show/Tasting Room
 - DCVB relationship
- Opportunity –
 - Branding
 - AENC – New path for business
 - Budget shortfall
 - FullFrame
 - Interpretation of first year contract
 - Parking Issues
 - DCVB – distractions
 - Owners representation – Board, chair, owners, new position transaction
 - Sales staff turnover
 - Overall structure

Agenda for next meeting

- Management review
- Name change implementation
- Parking Issues